ENVIREPEL ENERGY, INC.

National Energy Policy

"America must have an energy policy that plans for the future, but meets the needs of today. I believe we can develop our natural resources and protect our environment."

President George W. Bush

Technology and Fuel Supply Defined

- Biomass usually means “from the forest”
- Waste to Energy means “from the garbage”
- Technology choice is determined by who will finance it (risk)
- Risk is determined by the lack of a clear path and timeline to permit and construct a project
- Time means more than money

Envirepel Energy Strategy

- *Develop Clean energy and fuel production facilities without air emissions offset credit issues*
- *Use Best Available Commercial Technology rules to force industry change towards lower emissions and redefine the concept of “distributed generation”*
- *Produce up to 40 percent of the Nations energy needs in electrical and renewable fuels using local waste supplies, reprocessing greenhouse gases, and fuel crops such as corn and sugar beets.*
- *Fund a breeding and repopulation plan with State and Federal Agencies for endangered species of animals, reptiles, birds and plants as a joint effort.*

Engineering and Design Advantage

- Envirepel WTE Plants can obtain permits to construct and operate
- EEI facilities can be permitted and operated in urban w/o major grid interconnection issues
- EEI plant components can be assembled on site by General Contractors, EPC’s not required
- Major plant components are supplied from within the corporate structure of affiliates

Market Opportunities for EEI

California Markets

- California's Renewable Portfolio Standard calls for 20% Renewable by 2010
- 265 megawatts (MW) of feedstock capacity exists in San Diego County, much of which can be filled by Biomass Waste To Energy (WTE)

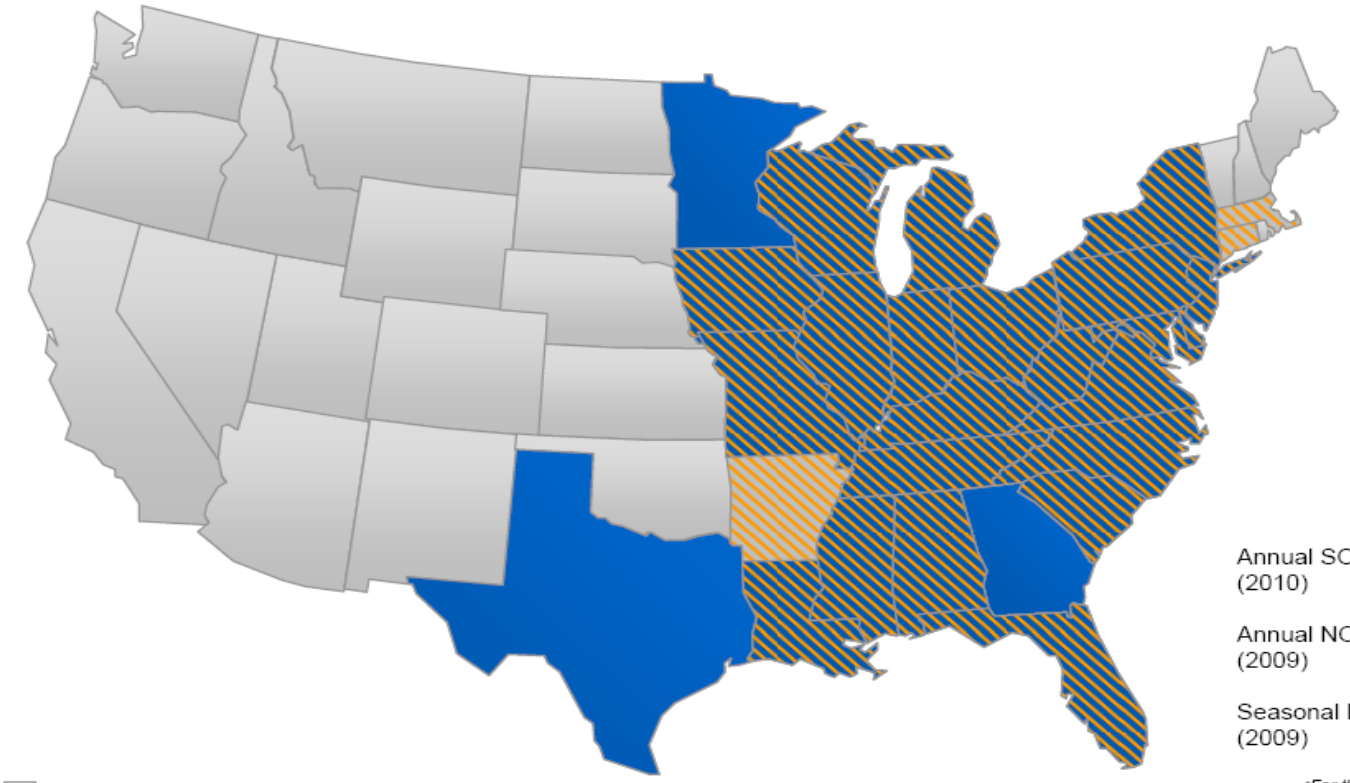
US Domestic Markets

- The North American waste to power market opportunity is ~ 16,000 MW in sales
- The North American renewable fuels market amounts to approx. $8 billion

Sources:
DOE Biomass Program, DOE Web-Site (http://www1.eere.energy.gov/biomass/news_detail.html?news_id=11458)
US Renewables' web-site www.usrg.com

National Perspective

CAIR: Affected States, Emission Caps



States not covered by CAIR
States controlled for fine particles (annual SO_2 and NOx)
States controlled for both fine particles (annual SO_2 and NOx) and ozone (ozone season NOx)
States controlled for ozone (ozone season NOx)

Emission Caps*
(million tons)

	2009/2010	2015
Annual SO_2 (2010)	3.7	2.6
Annual NOx (2009)	1.5	1.3
Seasonal NOx (2009)	.58	.48

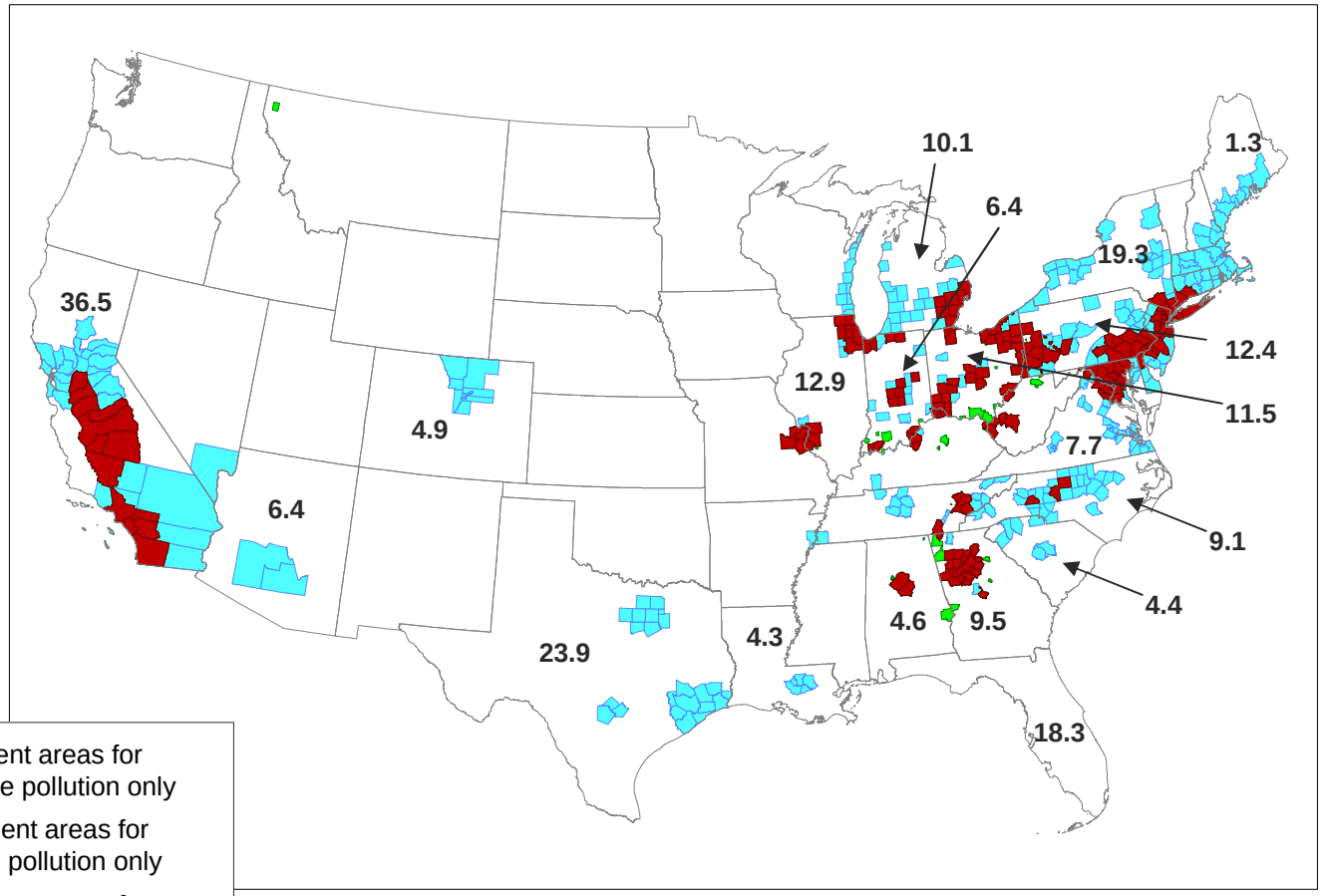
**For the affected region.*

Air Issues Rule the Day

Nonattainment Areas

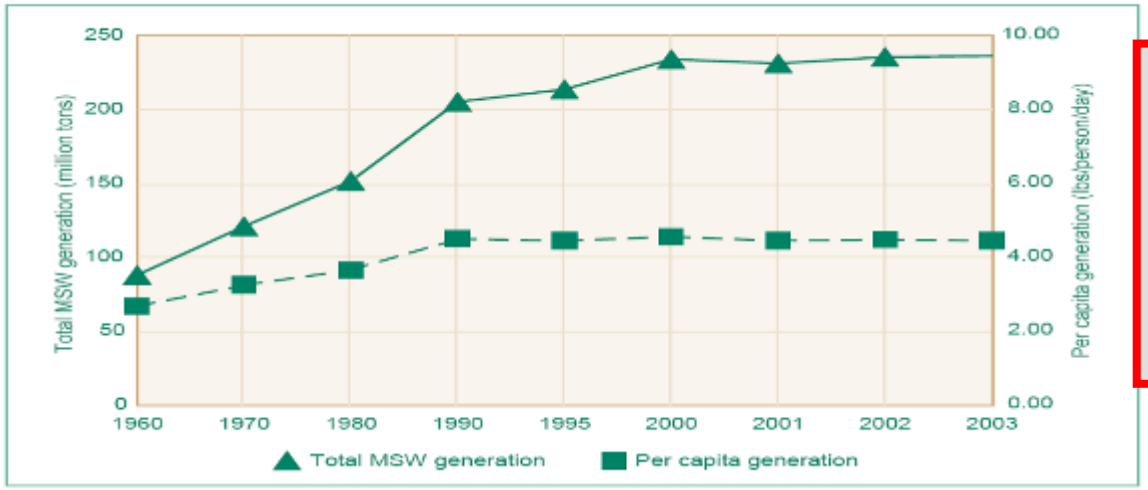
Air basins with significant air emission issues where permitting projects requires off-set credits, where available

Numbers are Population Estimates in Million (07/'07 Census)



Waste Up - Landfills Down in the USA

MSW Generation Rates from 1960 to 2003



Waste Generation Increasing with Population

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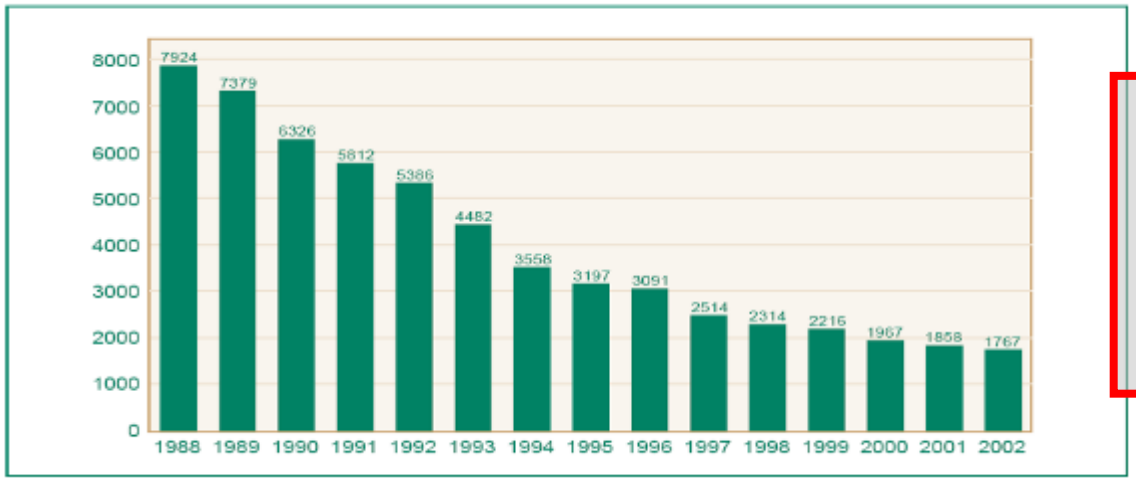
4 lbs / Person / Day

Number of Landfills in the United States by Year.



Landfills Decreasing with time:

1990 = 6326

2002 = 1767

U.S. Waste and "Recovery"

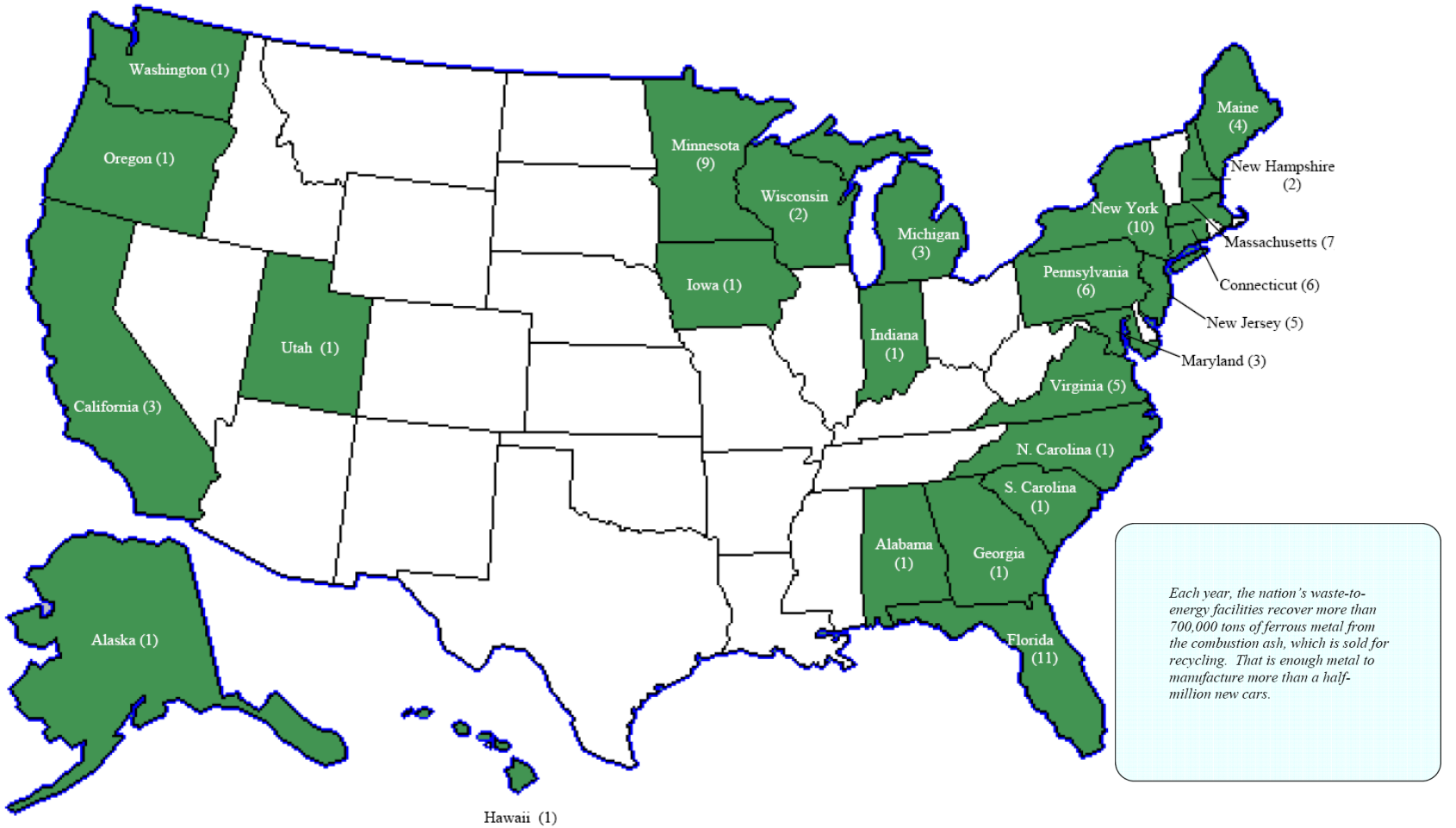
Generation, Materials Recovery, Composting, and Discards of Municipal Solid Waste, 1960 - 2003
(in millions of tons)

Millions of Tons									
	1960	1970	1980	1990	1995	2000	2001	2002	2003
Generation	88.1	121.1	151.6	205.2	213.7	234.0	231.2	235.5	236.2
Recovery for recycling	5.6	8.0	14.5	29.0	46.2	52.4	52.8	53.8	55.4
Recovery for composting*	Neg.	Neg.	Neg.	4.2	9.6	16.5	16.6	16.7	16.9
Total Materials Recovery	5.6	8.0	14.5	33.2	55.8	68.9	69.3	70.5	72.3
Discards after Recovery	82.5	113.0	137.1	172.0	158.0	165.1	161.9	165.0	163.9

*Composting of yard trimmings, food scraps, and other MSW organic material.
Does not include backyard composting.
Details may not add to totals due to rounding.

After Recovery **(Recycling and Composting)** – Discards remain Constant

U.S. Operating WTE Plants

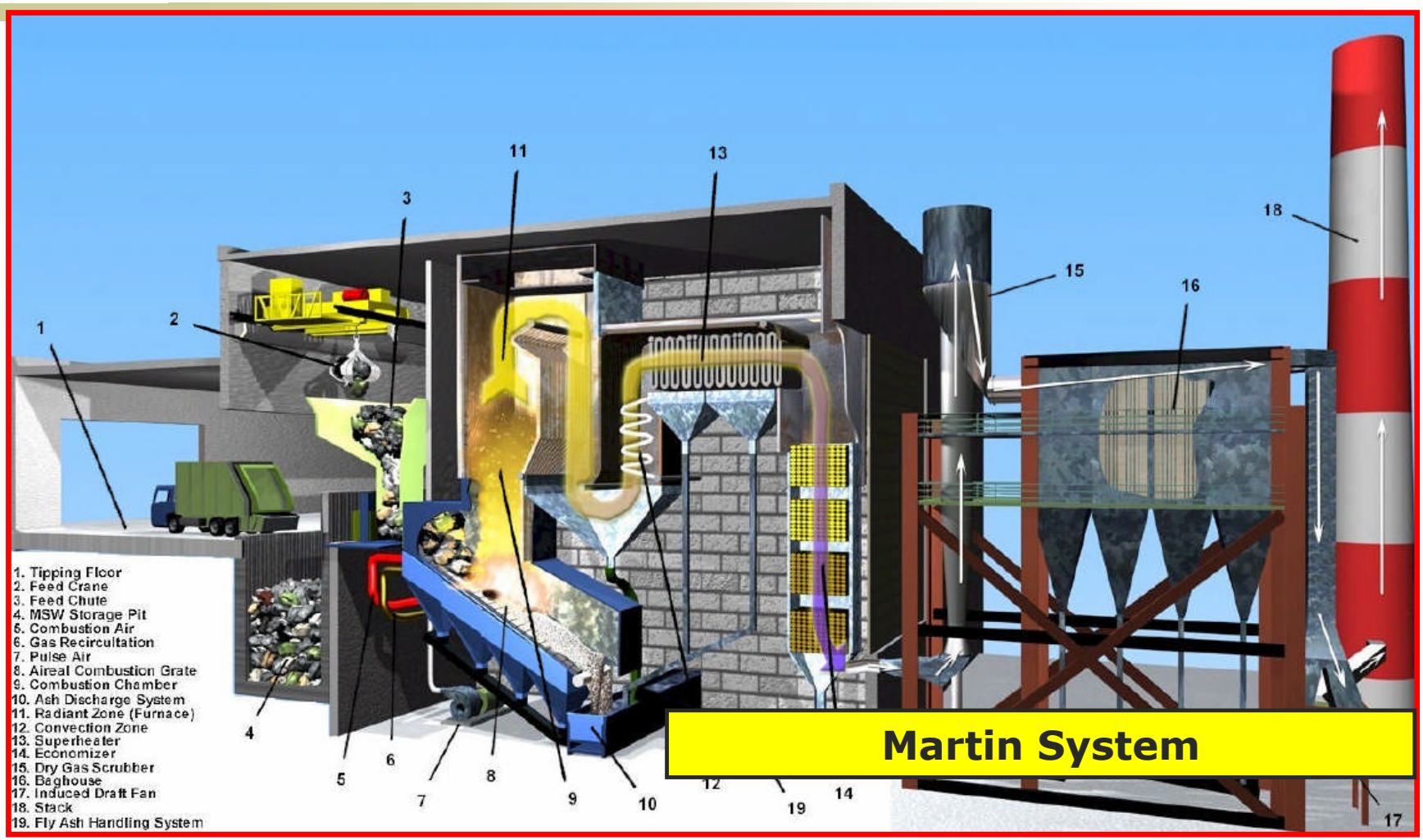


Each year, the nation's waste-to-energy facilities recover more than 700,000 tons of ferrous metal from the combustion ash, which is sold for recycling. That is enough metal to manufacture more than a half-million new cars.

Source: Ted Michaels, Integrated Waste Services Association, June 2007.

Traditional Waste to Energy

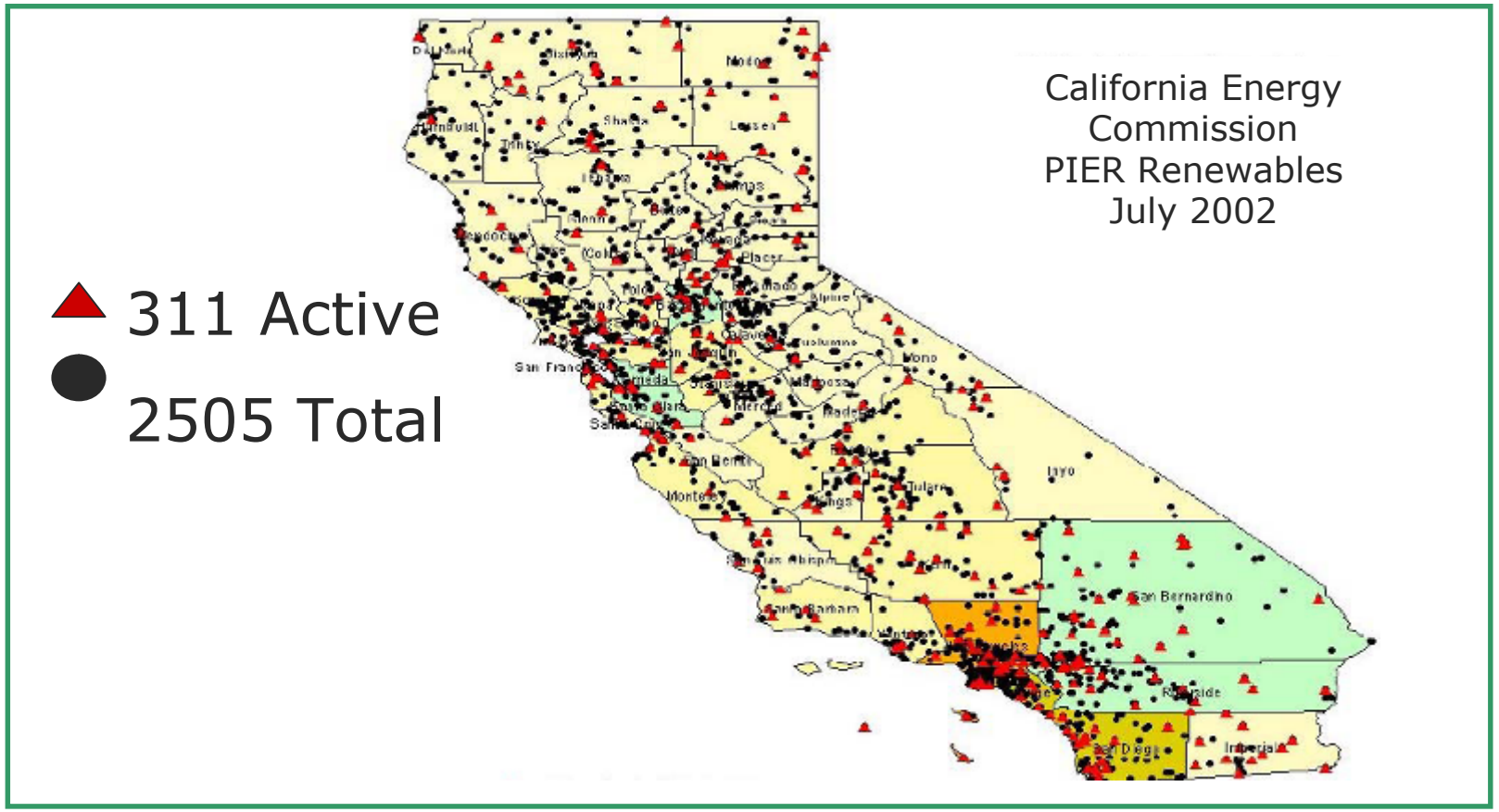
Aging and Inefficient Process



State of California Perspective

California Landfill Supply

- 4,000 MW generation potential statewide



California WTE Plants:

3 Facilities built in the 1980's

Commerce Refuse-to-Energy Facility
Commerce, CA

Trash Capacity:	1 units @ 350 tpd = 350 tpd
Energy Capacity:	ELE: 10 MW
Project Startup:	1987
Technology:	MBWW
CEMS:	CO; NOx; O_2; SO_2
APC System:	SDA; FF; SNCR
Owner:	Commerce Refuse-to-Energy Authority
Operator:	Sanitation Districts of Los Angeles County

Southeast Resource Recovery Facility (SERRF)
Long Beach, CA

Trash Capacity:	3 units @ 460 tpd = 1,380 tpd
Energy Capacity:	ELE: 37.5 MW
Project Startup:	1988
Technology:	MBWW
CEMS:	CO; CO_2; NOx; O_2; Opacity; SO_2
APC System:	SDA; FF; SNCR
Owner:	City of Long Beach
Operator:	Montenay Pacific Power Corp.

Stanislaus County Resource Recovery Facility
Crow's Landing, CA

Trash Capacity:	2 units @ 400 tpd = 800 tpd
Energy Capacity:	22 MW
Project Startup:	1989
Technology:	MBWW
CEMS:	CO; CO_2; Link; NOx; Opacity; SO_2
APC System:	SDA; FF; SNCR; CI
Owner:	Covanta Stanislaus, Inc.
Operator:	Covanta Stanislaus, Inc.

- Combined Capacity
  - 2,530 TPD
  - 69.5MW

AES Delano

Traditional Biomass Facility

Fluidized Bed System

San Diego Perspective

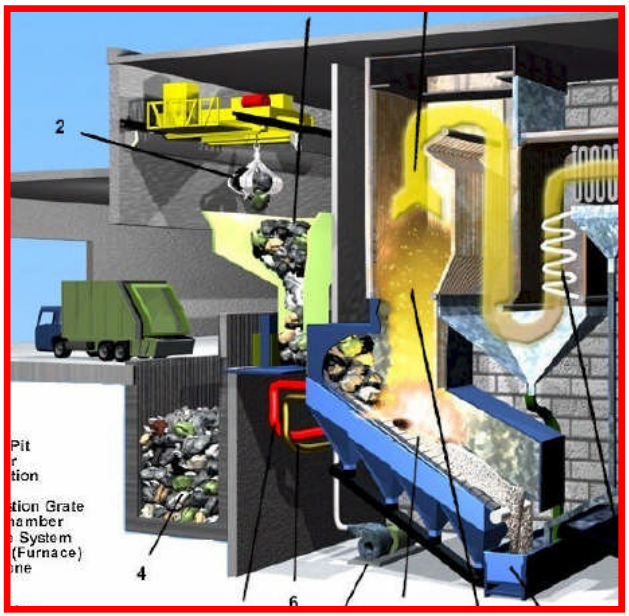
Artist rendition of the Fallbrook Renewable Energy Facility

San Diego Landfill Supply

- 279 MW generation potential in SD County
  - Enough electricity to power 279,000 homes

Envirepel Goals

- Establish US standard for Biomass to Energy
  - Brescia, Italy is current modern technology
  - Same “fire pit” process used throughout the world

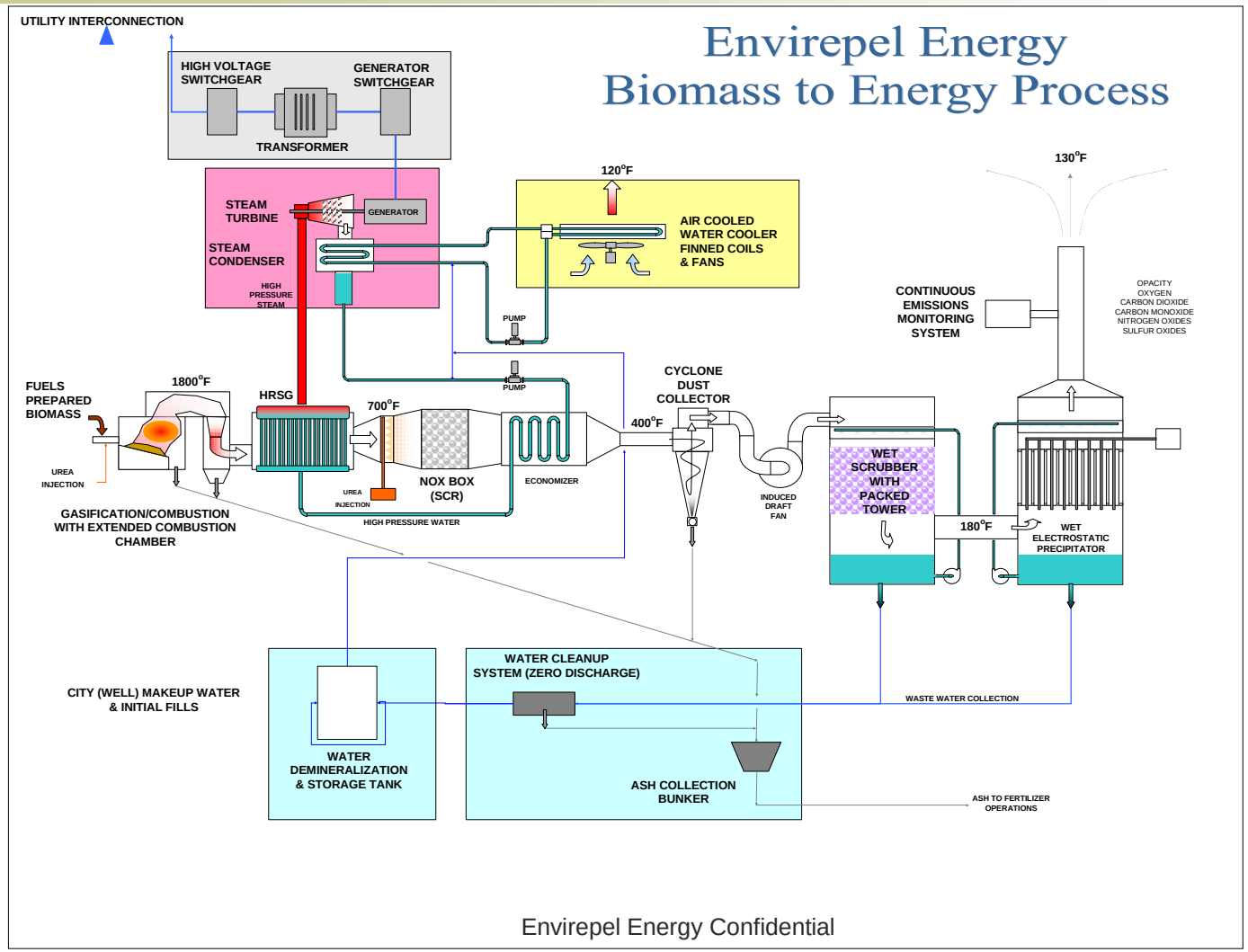


Emissions Advantage

- Ultra low emissions versus current systems
  - Eliminate conventional “pollution waiver” requirement

Company	Fuel Source	Revenues	Max Permitted Emissions (tons)	
			NOx	CO
Covanta (18 MW)	Wood waste MSW	Electricity	337	25
AES (56 MW)	Wood waste MSW	Electricity	150	252
Wheelabrator (55 MW)	Wood waste MSW	Electricity	598	1914
Colmac (53 MW)	Wood waste MSW	Electricity	196	4
Envirepel (90 MW)	**Wood waste MSW Green waste**	**Electricity Fuel Source Bio-Fuels By-Products**	**40** (tested data 85% less)	**21**

EEI Energy Facility

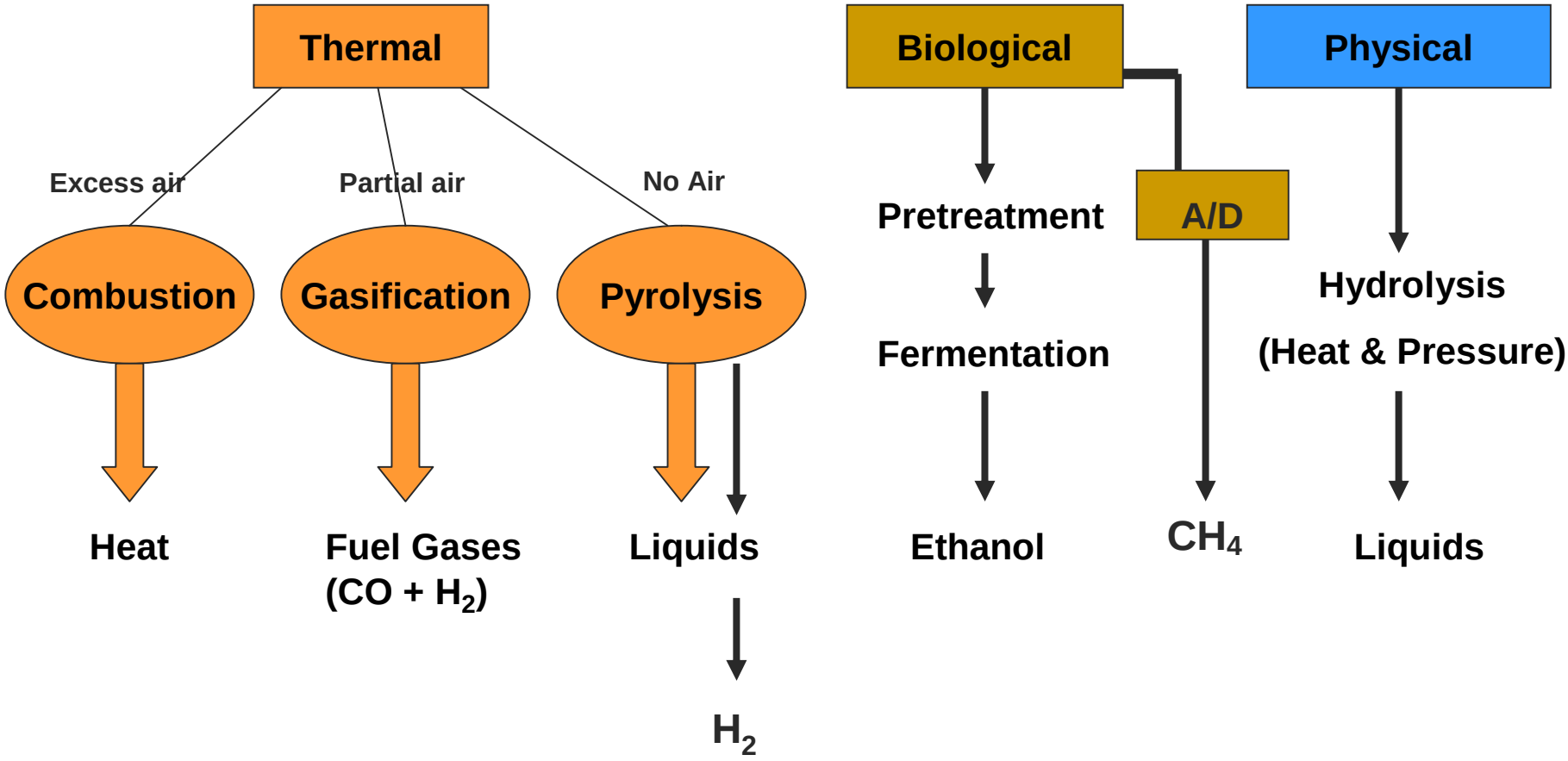


DWG: EE-BEP-SSD1 06/02/2006

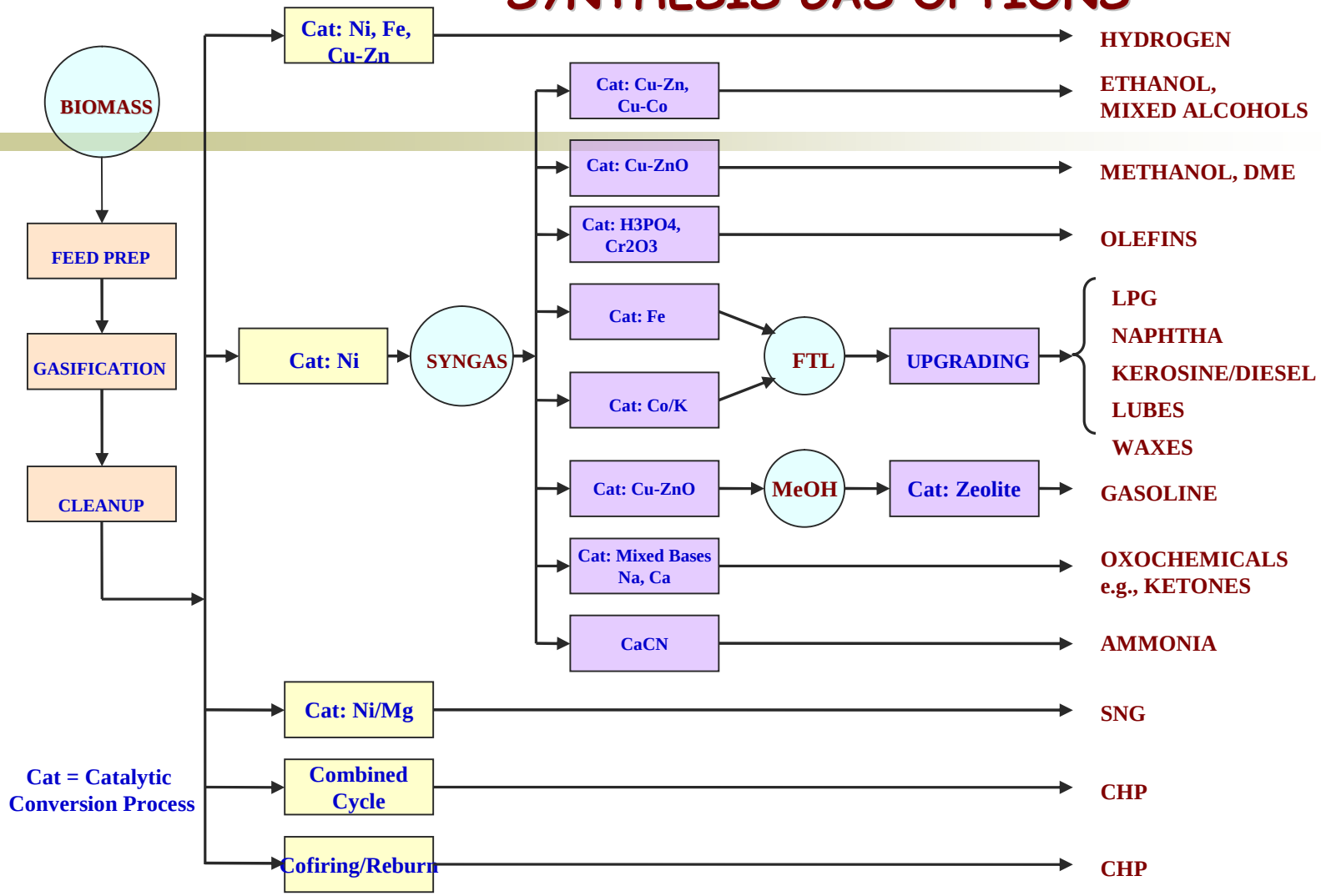
BACT

Gasification / Combustion Hybrid

Biomass Conversion Pathways



SYNTHESIS GAS OPTIONS



What can you produce?

- Electricity
- Co-gen heat supply
- Reclaimed water from fuel
- CO2 capture and on site conversion into Petroleum products such as diesel
- Ash for concrete filler or “eco-blocks”
- Additional capacity to sterilize oil contaminated soils etc. on site

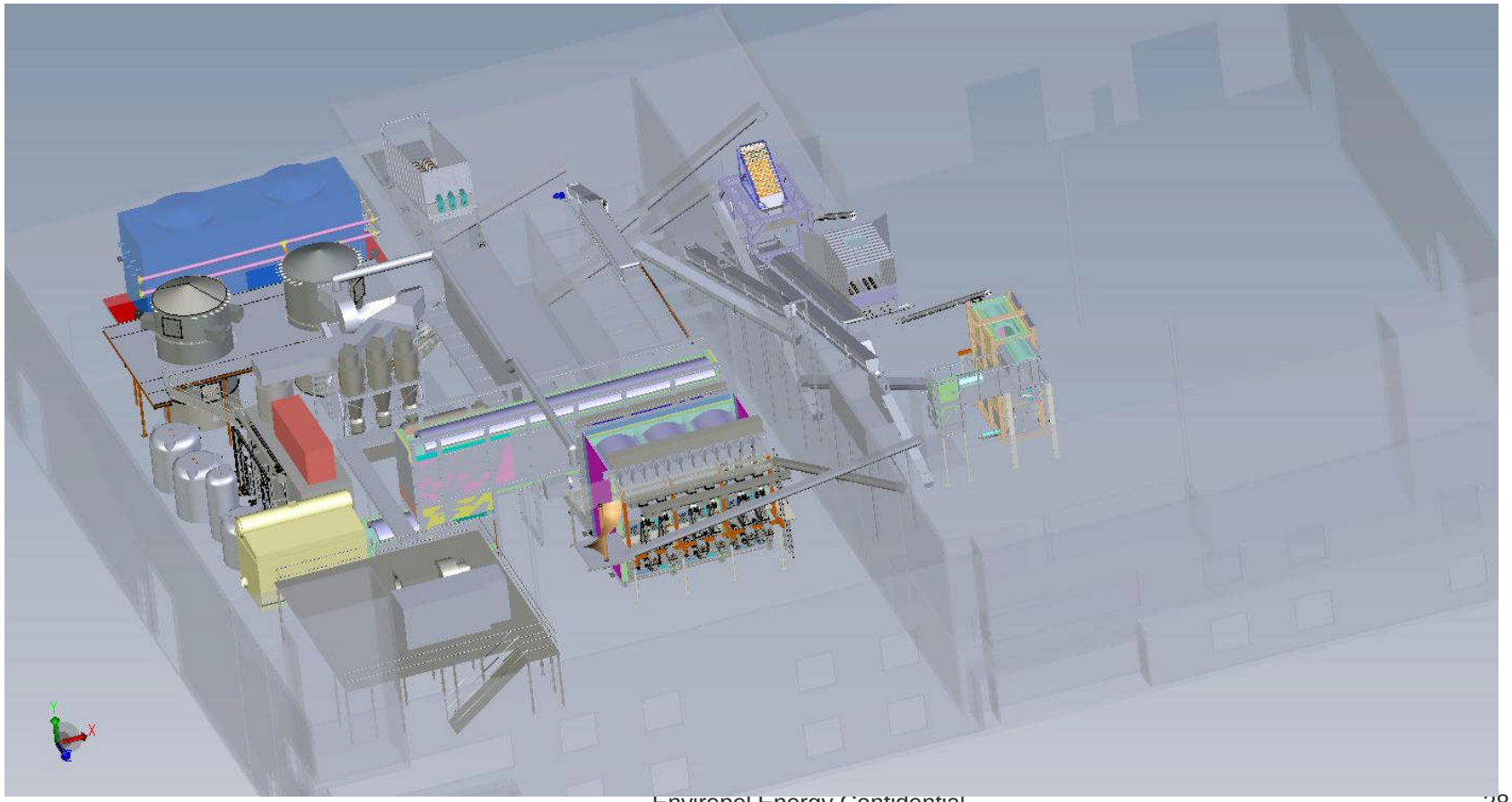
Permitting Regulations

- Take the confusion on “what is it?” and combine that with local politics in an permitting environment that does not have a finite timelines and you understand why nobody (bankers, financing, engineering) wants to be first when it comes to emerging technologies utilizing biomass.

- **(keep in mind “nobody”doesn’t want to be last either)**

Power Plant in a “BOX”

2.5 MW Kittyhawk Facility, Vista CA



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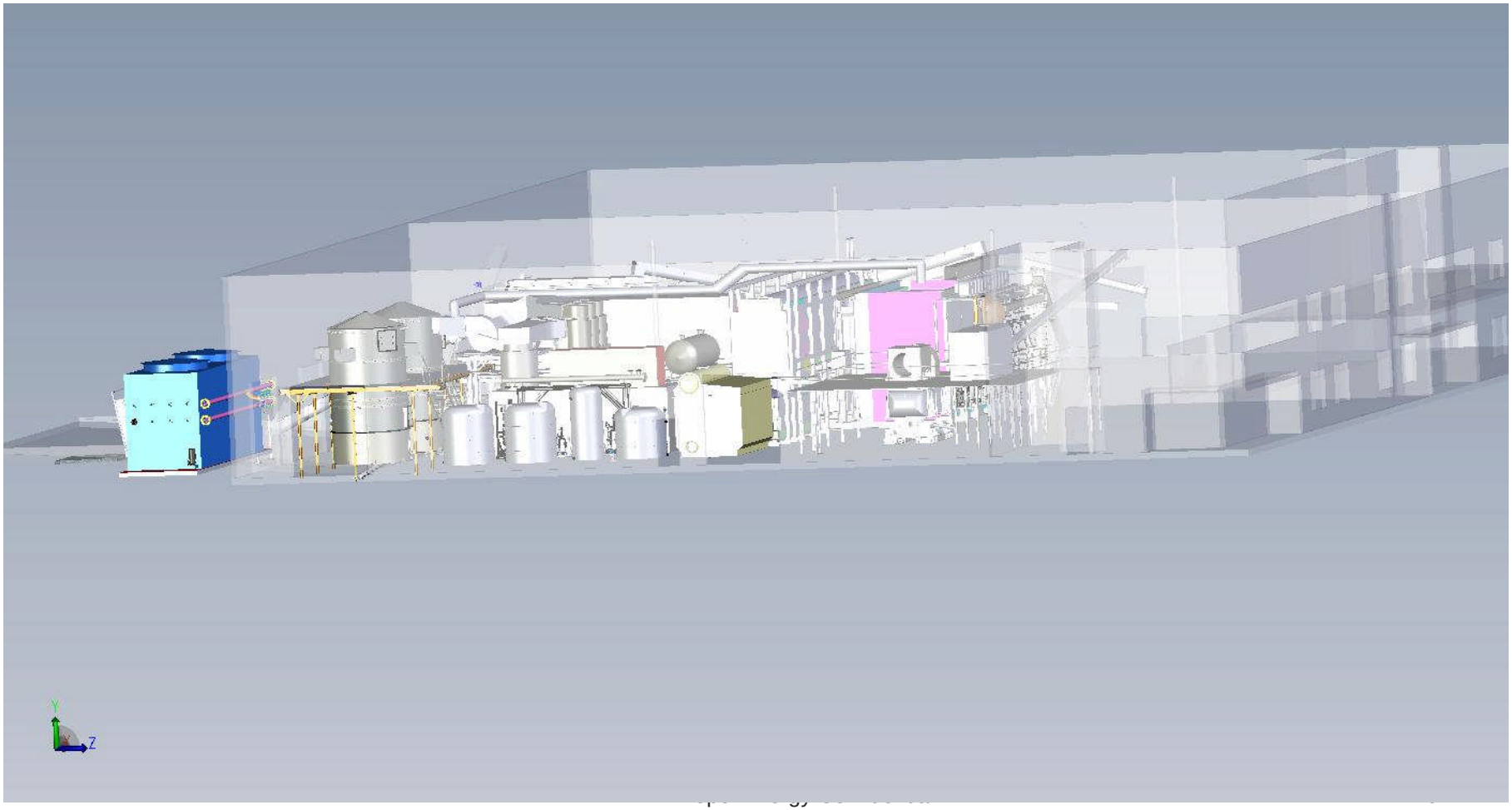

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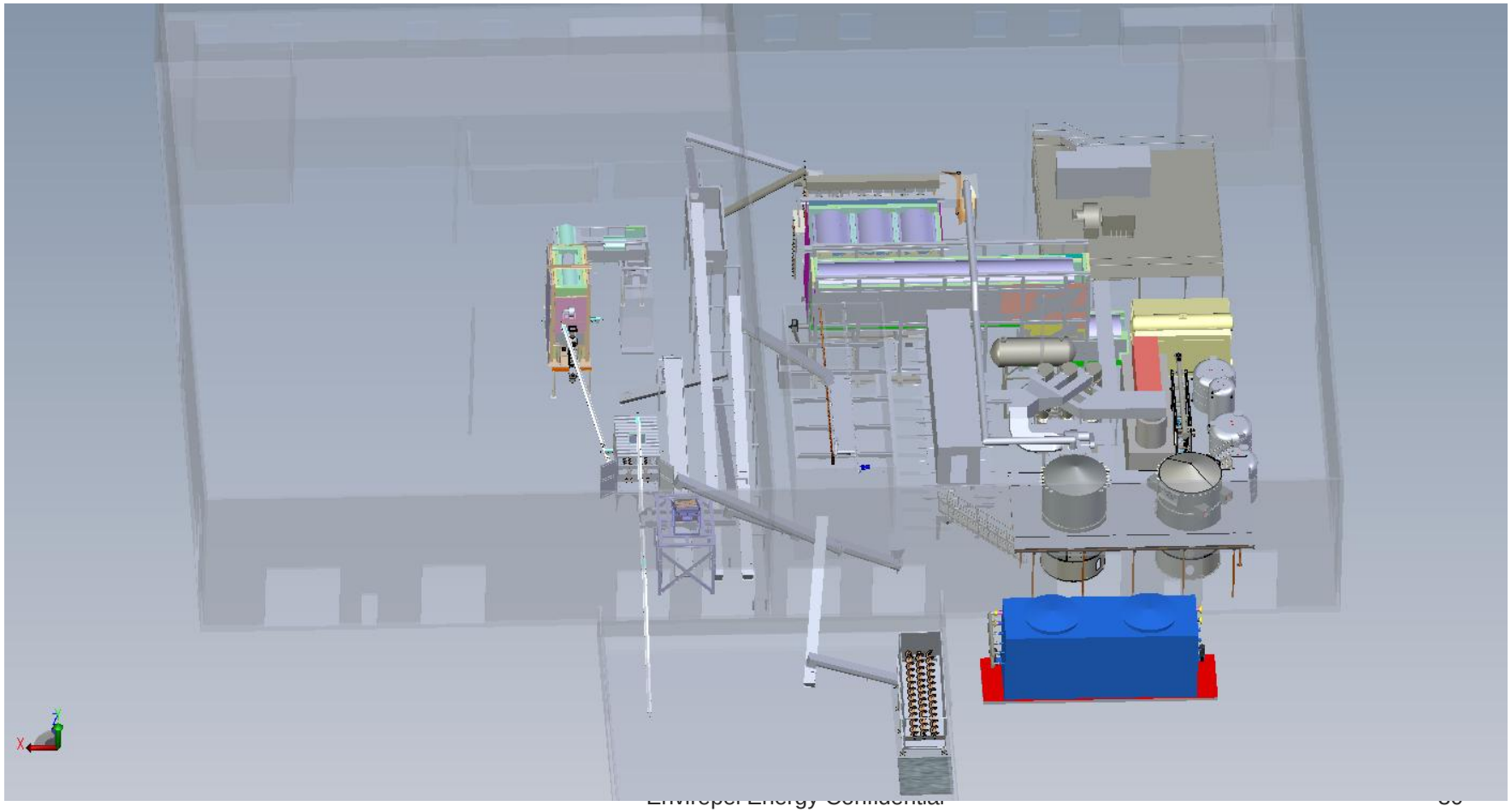

ENVIREPEL ENERGY, INC.

Thank You

Envirepel Energy Inc.
1390 Engineer Street
Vista, CA 92081
Phone: (760) 598 9194
Tony@envirepel.com